

21 December 1954

MEMORANDUM FOR: Special Assistant to the Director for
Planning and Coordination

SUBJECT : Conference with Mr. Perkin

1. I had a $1\frac{1}{2}$ hour discussion with Mr. Perkin in New York on 20 December about the contractual arrangements with his company. From my description, he thought the proposition outlined by [redacted] and the aggregate sum involved were generally in line with his own thinking. Obviously there is a lot of detail to be worked out, so his proposal is a simple, flexible letter-contract to be followed by a definitive contract in 60 to 90 days.

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4. Vouchers will be submitted on a normal 30-day schedule, and properly we will retain 10 per cent of the progress payments against final settlement. I offered the possibility of advance

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payments if they became necessary to meet the urgency of our problem. Mr. Perkin feels there will be a great deal of overtime for hourly employees and that he will have to assign some of his top salaried employees to extensive Saturday, Sunday, and overtime work. He feels that he will have to compensate these salaried employees in some manner for the extra work, so I stated that we would make time an absolute essential on the contract which would justify almost any expense required to complete on schedule. Similarly, this would support other details such as the fact that he has to procure certain specialized material abroad and feels it will have to be flown in at the added cost of air freight. I told him we might be able to help on the transportation problem. Furthermore, he will probably have to spread his subcontractors so that the components will not be associated in a manner which would reveal their purpose to experts. This will be somewhat more expensive presumably.

5. In addition, Mr. Perkin may want to rent some new secure space so that security also will be a prime condition of any contract. All of this Mr. Perkin's states would fit in with his theory of a commercial contract renegotiated at its termination.

6. This is going to be a reasonably complicated matter to follow, and I think here again we need a security plan for the plant and for our communications. Also, for protection of both sides, we should follow pretty closely and record the unusual expenses growing out of urgency and security. I think we would be well advised to use one of my lawyers most experienced in this field and one of [] special procurement people to work on this contract, which they could do to the degree necessary without knowing specifically what was being produced or why. In the end, also, I believe [] would have to make the arrangements to pick the completed units up for storage or final delivery.

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LAWRENCE R. HOUSTON
General Counsel